

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:608
ANSWERED ON:24.02.2009
UNCTAD REPORT
Reddy Shri K. Jayasurya Prakash

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the United Nations Conference on Trade and Development (UNCTAD) report recently noted that the country would find it difficult to fund the \$ 495 billion infrastructure development programme spread over till 2012; and

(b) if so, the details thereof and the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

(a) & (b): The UNCTAD in its report titled "World Investment Report 2008" published on 24th September 2008 stated that over the period of 2007–2012, India will need investment averaging \$99 billion per annum in 10 major infrastructure segments namely, energy, roads, telecom, railways, etc., to support a planned annual GDP growth of 9%. One of the sources of this report has been stated as Planning Commission. Planning Commission in its report "Projections of Investment in Infrastructure during the Eleventh Plan" published in August 2008 have stated that the 11th Five Year Plan has set an ambitious target of increasing total investment in infrastructure from around 5% of GDP in 2006-07 to 9% by 2011-12, which would result in total investment of \$ 514 billion for 10 infrastructure sectors over the five year period. Recognizing that this is a substantial increase in infrastructure investment over the previous Plan period, the Government has decided to encourage the private sector to invest in infrastructure in a big way. Thus, it has been envisaged that while 30% of the infrastructure needs may be met directly from the budget and 40% will be met from internal generation and market borrowings of public sector entities, the remaining 30% will be met through private sector investment. Government has initiated major infrastructure projects as Dedicated Freight Corridors, Delhi–Mumbai Industrial Corridor, Petroleum, Chemical and Petro-chemical Investment Regions, etc. with the view to attract investment for infrastructure development.